

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST ACCRUAL BASIS

CASE NUMBER: 08-35653

JUDGE: KEVIN R. HUENNEKENS

EASTERN DISTRICT OF VIRGINIA

RICHMOND DIVISION

QUARTERLY OPERATING REPORT

QUARTER: OCTOBER 1, 2016 TO DECEMBER 31, 2016

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I
DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING
MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND
THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE
DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER
(OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH
PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

/s/ CATHERINE W. BRADSHAW

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

SENIOR TRUST MANAGER

TITLE

CATHERINE W. BRADSHAW

PRINTED NAME OF RESPONSIBLE PARTY

MARCH 15, 2017

DATE

PREPARER:

/s/ ANN P. PIETRANTONI

ORIGINAL SIGNATURE OF PREPARER

REPORTING & HR CLAIMS MGR

TITLE

ANN P. PIETRANTONI

PRINTED NAME OF PREPARER

MARCH 15, 2017

DATE

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST

ACCRUAL BASIS-1

CASE NUMBER: 08-35653

BALANCE SHEET

UNAUDITED

(amounts in thousands)

12/31/2016

ASSETS

ASSETS

Cash and cash equivalents

78,957

Receivables, net

63,897

TOTAL ASSETS

142,854

LIABILITIES

LIABILITIES

Claims

727,094

Accrued trust expenses

4,831

TOTAL LIABILITIES

731,925

Liabilities in excess of assets

(589,071)

TOTAL LIABILITIES LESS LIABILITIES IN EXCESS OF ASSETS

142,854

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST
CASE NUMBER: 08-35653

ACCRUAL BASIS-2

INCOME STATEMENT

UNAUDITED

(Amounts in thousands)

| | 10/1/2016 - 12/31/2016 |
|---|------------------------|
| Operating expenses | (11,238) |
| Interest income | 68 |
| Net adjustments from settlements and Court orders | <u>2,726</u> |
| Loss before income taxes | (8,444) |
| Income tax expense | <u>-</u> |
| Net loss | <u><u>(8,444)</u></u> |

| |
|--|
| CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST |
| CASE NUMBER: 08-35653 |

ACCRUAL BASIS-2

INCOME STATEMENT

UNAUDITED

(Amounts in thousands)

11/1/2010 - 12/31/2016

| | |
|---|-----------------------|
| Operating expenses | (161,779) |
| Interest income | 8,192 |
| Net adjustments from settlements and Court orders | <u>955,084</u> |
| Income before income taxes | 801,497 |
| Income tax benefit | <u>205</u> |
| Net income | <u><u>801,702</u></u> |

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST
CASE NUMBER: 08-35653

ACCRUAL BASIS-3

CASH RECEIPTS AND DISBURSEMENTS

(amounts in thousands)

| | <u>10/1/2016 -12/31/2016</u> |
|--|------------------------------|
| Cash flows from operations: | |
| Cash receipts | 83 |
| Cash payments for professional fees | (6,389) |
| Cash payments for claims | (37,627) |
| Other operating cash payments | <u>(2,253)</u> |
| Net cash used in operating activities | \$ (46,186) |
| Decrease in cash and cash equivalents | \$ (46,186) |
| Cash and cash equivalents at beginning of period | <u>125,143</u> |
| Cash and cash equivalents at end of period | <u>\$ 78,957</u> |

| | |
|--|-----------------|
| CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST | ACCRUAL BASIS-3 |
| CASE NUMBER: 08-35653 | |

CASH RECEIPTS AND DISBURSEMENTS

(amounts in thousands)

| | 11/1/2010 - 12/31/16 |
|--|----------------------|
| Cash flows from operations: | |
| Cash contribution to the Trust | \$ 469,381 |
| Cash receipts | 470,682 |
| Cash payments for professional fees | (152,803) |
| Cash payments for claims | (637,464) |
| Other operating cash payments | (70,839) |
| Net cash provided by operating activities | \$ 78,957 |
| Increase in cash and cash equivalents | \$ 78,957 |
| Cash and cash equivalents at beginning of period | 0 |
| Cash and cash equivalents at end of period | <u>\$ 78,957</u> |

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST ACCRUAL BASIS-4
CASE NUMBER: 08-35653

| ACCOUNTS RECEIVABLE AGING | SCHEDULE AMOUNT | QUARTER | QUARTER | QUARTER |
|------------------------------------|--------------------|----------------|----------------|----------------|
| | | 12/31/2016 | 9/30/2016 | 6/30/2016 |
| 1. 0-30 | | 79,816 | 79,816 | 7,079,816 |
| 2. 31-60 | | - | - | - |
| 3. 61-90 | | - | - | - |
| 4. 91+ | | 102,979,728 | 102,979,728 | 104,707,183 |
| 5. TOTAL ACCOUNTS RECEIVABLE | | \$ 103,059,544 | \$ 103,059,544 | \$ 111,786,999 |
| 6. AMOUNT CONSIDERED UNCOLLECTIBLE | | 39,161,828 | 39,161,828 | 40,889,283 |
| 7. ACCOUNTS RECEIVABLE (NET) | | \$ 63,897,716 | \$ 63,897,716 | \$ 70,897,716 |

AGING OF POSTPETITION TAXES AND PAYABLES

QUARTER: 10/1/2016 - 12/31/2016

| TAXES PAYABLE | 0-30 DAYS | 31-60 DAYS | 61-90 DAYS | 91+ DAYS | TOTAL |
|------------------------|--------------|---------------|---------------|----------------|----------------|
| 1. FEDERAL | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. STATE | - | - | - | - | - |
| 3. LOCAL | - | - | - | - | - |
| 4. OTHER | - | - | - | - | - |
| 5. TOTAL TAXES PAYABLE | \$ - | \$ - | \$ - | \$ - | \$ - |
| 6. CLAIMS | \$ - | \$ - | \$ - | \$ 727,094,472 | \$ 727,094,472 |
| ACCRUED TRUST EXPENSES | \$ 4,831,301 | \$ - | \$ - | \$ - | \$ 4,831,301 |

STATUS OF POSTPETITION TAXES

QUARTER: 10/1/2016 - 12/31/2016

| | BEGINNING TAX LIABILITY* | AMOUNT WITHHELD AND/ OR ACCRUED | AMOUNT PAID | ENDING TAX LIABILITY |
|------------------------------------|--------------------------------|---------------------------------------|----------------|----------------------------|
| FEDERAL | | | | |
| 1. WITHHOLDING** | \$ - | \$ 639,872 | \$ (639,872) | \$ - |
| 2. FICA-EMPLOYEE** | - | 103,155 | (103,155) | - |
| 3. FICA-EMPLOYER** | - | 94,070 | (94,070) | - |
| 4. UNEMPLOYMENT | - | 1,193 | (1,193) | - |
| 5. INCOME | - | - | - | - |
| 6. OTHER (ATTACH LIST) | - | - | - | - |
| 7. TOTAL FEDERAL TAXES | \$ - | \$ 838,290 | \$ (838,290) | \$ - |
| STATE AND LOCAL & OTHER | | | | |
| 8. WITHHOLDING | \$ - | \$ 126,275 | \$ (126,275) | \$ - |
| 9. SALES | - | - | - | - |
| 10. EXCISE | - | - | - | - |
| 11. UNEMPLOYMENT | - | 6,098 | (6,098) | - |
| 12. REAL PROPERTY | - | - | - | - |
| 13. PERSONAL PROPERTY | - | - | - | - |
| 14. OTHER | - | - | - | - |
| 15. TOTAL STATE & LOCAL & OTHER | \$ - | \$ 132,373 | \$ (132,373) | \$ - |
| 16. TOTAL TAXES | \$ - | \$ 970,663 | \$ (970,663) | \$ - |

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST

ACCRUAL BASIS-5

CASE NUMBER: 08-35653

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

QUARTER: 10/1/2016 - 12/31/2016

| BANK RECONCILIATIONS | | | | |
|-------------------------------------|----------------|------------|------------|------------|
| | Account #1 | Account #2 | Account #3 | |
| A. BANK: | see APPENDIX B | | | TOTAL |
| B. ACCOUNT NUMBER: | | | | |
| C. PURPOSE (TYPE): | | | | |
| 1. BALANCE PER BANK STATEMENT | | | | |
| 2. ADD: TOTAL DEPOSITS NOT CREDITED | | | | |
| 3. SUBTRACT: OUTSTANDING CHECKS | | | | |
| 4. OTHER RECONCILING ITEMS | | | | |
| 5. MONTH END BALANCE PER BOOKS | | | | 78,956,721 |
| NUMBER OF LAST CHECK WRITTEN | | | | |

| INVESTMENT ACCOUNTS | | | | |
|-----------------------------|------------------|--------------------|----------------|---------------|
| BANK, ACCOUNT NAME & NUMBER | DATE OF PURCHASE | TYPE OF INSTRUMENT | PURCHASE PRICE | CURRENT VALUE |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. TOTAL INVESTMENTS | | | \$ - | \$ - |

| CASH | |
|-------------------------------|---------------|
| 12. CURRENCY ON HAND | \$ - |
| 13. TOTAL CASH - END OF MONTH | \$ 78,956,721 |

APPENDIX B

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST
CASE NUMBER: 08-35653

| G/L Acct # | Account Name | Bank Acct # | Debtor | Description | Bank Balance | G/L Balance | As of Date | Reconciled as of 12/31/16 |
|------------|--|-------------|---|----------------------|--------------|-------------|------------|---------------------------|
| 101171 | Banc of California Investment Reserve CK | 11021904 | Circuit City Stores, Inc. Liquidating Trust | Disbursement Account | 29,442,125 | 29,442,125 | 12/31/2016 | Y |
| 101174 | Preferred Bank Disputed Unsecured Claims Reserve CK | 4629140 | Circuit City Stores, Inc. Liquidating Trust | Disbursement Account | 15,178,750 | 15,178,750 | 12/31/2016 | Y |
| 101181 | Banc of California Investment Reserve SAV | 13000385 | Circuit City Stores, Inc. Liquidating Trust | Money Market Account | 2,109,067 | 2,109,067 | 12/31/2016 | Y |
| 101182 | Banc of California Disputed Unsecured Claims Reserve | 12014395 | Circuit City Stores, Inc. Liquidating Trust | Money Market Account | 8,026,734 | 8,026,734 | 12/31/2016 | Y |
| 101700 | Banc of California Payroll Account | 11034444 | Circuit City Stores, Inc. Liquidating Trust | Disbursement Account | 5,416 | 5,416 | 12/31/2016 | Y |
| 101701 | Banc of California Operating Reserve MM | 12014858 | Circuit City Stores, Inc. Liquidating Trust | Money Market Account | 293,687 | 293,687 | 12/31/2016 | Y |
| 101702 | Banc of California Operating Reserve CK | 11034451 | Circuit City Stores, Inc. Liquidating Trust | Disbursement Account | 1,160,177 | 1,017,278 | 12/31/2016 | Y |
| 101703 | Banc of California Admin Claims Reserve MM | 12014866 | Circuit City Stores, Inc. Liquidating Trust | Money Market Account | 2,989,185 | 2,989,185 | 12/31/2016 | Y |
| 101704 | Banc of California Admin Claims Reserve CK | 11034469 | Circuit City Stores, Inc. Liquidating Trust | Disbursement Account | - | - | 12/31/2016 | Y |
| 101705 | Banc of California Priority Tax Claims Res MM | 12014874 | Circuit City Stores, Inc. Liquidating Trust | Money Market Account | 5,956,220 | 5,956,220 | 12/31/2016 | Y |
| 101706 | Banc of California Priority Tax Claims Res CK | 11034477 | Circuit City Stores, Inc. Liquidating Trust | Disbursement Account | - | - | 12/31/2016 | Y |
| 101707 | Banc of California Misc Secured Claims Res MM | 12014882 | Circuit City Stores, Inc. Liquidating Trust | Money Market Account | 122 | 122 | 12/31/2016 | Y |
| 101708 | Banc of California Misc Secured Claims Res CK | 11034485 | Circuit City Stores, Inc. Liquidating Trust | Disbursement Account | 31 | 31 | 12/31/2016 | Y |
| 101709 | Banc of California Non-tax Priority Claims MM | 12014890 | Circuit City Stores, Inc. Liquidating Trust | Money Market Account | 37,214 | 37,214 | 12/31/2016 | Y |
| 101710 | Banc of California Non-tax Priority Claims CK | 11034493 | Circuit City Stores, Inc. Liquidating Trust | Disbursement Account | 150 | - | 12/31/2016 | Y |
| 101711 | Banc of California Investment Reserve MM | 12014833 | Circuit City Stores, Inc. Liquidating Trust | Money Market Account | 11,585,579 | 11,585,579 | 12/31/2016 | Y |
| 101712 | Banc of California Disputed Unsec Claims MM | 12014908 | Circuit City Stores, Inc. Liquidating Trust | Money Market Account | 35,108 | 35,108 | 12/31/2016 | Y |
| 101713 | Banc of California Disputed Unsec Claims CK | 11034501 | Circuit City Stores, Inc. Liquidating Trust | Disbursement Account | 10,689,151 | 239,766 | 12/31/2016 | Y |
| 101714 | Banc of California Richmond Operating CK | 11034436 | Circuit City Stores, Inc. Liquidating Trust | Disbursement Account | 10,275 | 9,473 | 12/31/2016 | Y |
| 101718 | Banc of California Money Market Savings | 12015400 | Circuit City Stores, Inc. Liquidating Trust | Money Market Account | 2,030,966 | 2,030,966 | 12/31/2016 | Y |
| | | | | | 89,549,957 | 78,956,721 | | |

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST
CASE NUMBER: 08-35653

ACCRUAL BASIS-6

QUARTER: 10/1/2016 - 12/31/2016

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (i.e. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

| INSIDERS | | | |
|-----------------------------------|-----------------|-------------|--------------------|
| NAME | TYPE OF PAYMENT | AMOUNT PAID | TOTAL PAID TO DATE |
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| 6. TOTAL PAYMENTS TO INSIDERS (1) | | | |

| PROFESSIONALS | | | | | |
|---|---|-----------------|-------------|--------------------|-------------------------|
| NAME** | DATE OF COURT ORDER AUTHORIZING PAYMENT | AMOUNT APPROVED | AMOUNT PAID | TOTAL PAID TO DATE | TOTAL INCURRED & UNPAID |
| 1. A. Siegel & Associates | | | 170,844 | 7,022,633 | 79,259 |
| 2. Akerman Senterfitt LLP | | | 123 | 772,458 | - |
| 3. Alston & Bird LLP | | | - | 70,000 | - |
| 4. Arsene Taxand | | | - | 73,230 | - |
| 5. Atkinson-Baker Inc. | | | 663 | 663 | - |
| 6. BakerHostetler LLP | | | - | 333,084 | - |
| 7. Ballard Spahr LLP | | | - | 18,631 | - |
| 8. Bates White LLC | | | - | 3,684,324 | - |
| 9. Bndezing Culture | | | - | 41,328 | - |
| 10. Buttkus Gubner LLP | | | 681,358 | 3,790,173 | 309,245 |
| 11. Charles River Associates | | | 4,735 | 101,689 | 150,730 |
| 12. Coherent Economics LLC | | | 302,660 | 848,244 | 149,955 |
| 13. Compass Luceon | | | - | 1,498,872 | - |
| 14. Crowe Horwath LLP | | | 2,797 | 4,522,020 | 2,024 |
| 15. David Grossman | | | - | 636 | - |
| 16. DecisionQuest | | | - | 72,217 | - |
| 17. Eisner Jaffe | | | 203,471 | 203,471 | 193,072 |
| 18. Emergence Financial Corp. | | | 84,943 | 340,207 | 29,993 |
| 19. Ernst & Young LLP | | | 32,790 | 1,087,507 | - |
| 20. e-Stat LLC | | | - | 281,776 | - |
| 21. Everlaw Inc. | | | 12,009 | 46,914 | 4,098 |
| 22. First Legal Network LLC | | | - | 507 | - |
| 23. Franklin Giesbrecht | | | - | 5,796 | - |
| 24. FTI Consulting, Inc. | | | - | 188,320 | - |
| 25. Gowlings Lafleur Henderson LLP | | | - | 577,865 | 58,884 |
| 26. Groshen Teple Financial Advisory Services | | | 180,314 | 2,554,291 | 91,538 |
| 27. Guidance Software, Inc. | | | - | 72,457 | - |
| 28. HD Financial Advisors LLP | | | - | 43,659 | - |
| 29. Inn Kravitz | | | - | 5,000 | - |
| 30. Info Tech Inc. | | | 148,443 | 951,369 | 318,719 |
| 31. Irell & Manella LLP | | | - | 189,306 | 427 |
| 32. Jams, Inc. | | | - | 22,070 | - |
| 33. Jeffrey Mangel Butler & Mitchell LLP | | | - | 10,276 | - |
| 34. Jelleries & Co., Inc. | | | - | 1,377,420 | - |
| 35. JND eDiscovery LLC | | | 3,034 | 3,034 | 22,866 |
| 36. Kelley Drive & Warren LLP | | | 4,448 | 7,015,065 | - |
| 37. Kennv Nachwalter, P.A. | | | - | 27,337 | - |
| 38. Keymark, Inc. | | | 10,260 | 38,242 | - |
| 39. Klee, Tuckin, Bogdanoff & Stern LLP | | | 518,529 | 8,815,140 | 1,178,008 |
| 40. KPMG LLP | | | - | 44,070 | - |
| 41. Kutzman Carson Consultants LLC | | | - | 3,465,146 | - |
| 42. Legal Economics LLC | | | - | 91,408 | - |
| 43. Legalink Inc. | | | - | 862 | - |
| 44. Legal Media | | | - | 5,605 | - |
| 45. Lobel Weiland Golden Friedman LLP | | | 108,412 | 220,852 | - |
| 46. McDermott Will & Emery LLP | | | - | 150,353 | - |
| 47. McGladrey LLP | | | - | 367,317 | - |
| 48. McGuire Woods, LLP | | | - | 264,368 | - |
| 49. Nathan Associates Inc. | | | - | - | 7,407 |
| 50. Navigant Consulting | | | - | 14,992 | - |
| 51. Northern District of California | | | - | 69,000 | - |
| 52. ODD Settlement Fund | | | 200,000 | 200,000 | - |
| 53. Pachulski, Stang, Ziehl & Jones | | | 1,446,608 | 32,363,207 | 747,130 |
| 54. Pearson, Simon, Wardlaw & Penn, LLP | | | - | 47,548 | - |
| 55. PricewaterhouseCoopers LLP | | | 90,100 | 534,377 | - |
| 56. Process General | | | 84,785 | 525,817 | 29,546 |
| 57. Province | | | - | 9,171,495 | 1,410,198 |
| 58. Privity | | | - | 145,996 | - |
| 59. Quinn Emanuel Urquhart & Sullivan, LLP | | | 445,545 | 985,430 | - |
| 60. Resolutions LLC | | | - | 14,015 | - |
| 61. Ribberg Aronson LLC | | | - | 10,331 | - |
| 62. Shumaker, Loeb & Kendrick LLP | | | - | 10,210 | - |
| 63. Skadden, Arps, Slate, Meagher & Flom, LLP | | | - | 1,599,015 | - |
| 64. Solution Trust | | | 103,875 | 3,646,816 | - |
| 65. Sinn Teepie | | | - | 21,613 | - |
| 66. Stewart McKelvey | | | - | 255 | - |
| 67. Sullivan & Worcester LLP | | | 6,669 | 55,813 | - |
| 68. Susman Godfrey LLP | | | 1,450,000 | 46,833,549 | - |
| 69. Tennen & Beers, PLLC | | | 49,169 | 4,642,442 | 16,977 |
| 70. US Bankruptcy Trustee | | | 30,325 | 567,175 | 30,325 |
| 71. US Legal Support | | | 4,694 | 4,694 | - |
| 72. Vantage Intelligence LLC | | | 2,951 | 2,951 | - |
| 73. WalmerHale | | | - | 4,581 | - |
| 74. Yulishon, Attorneys at Law | | | 4,576 | 4,576 | - |
| TOTAL PAYMENTS TO PROFESSIONALS | | | 6,389,130 | 152,803,110 | 4,831,301 |

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

** REVISED TO INCLUDE ADDITIONAL PROFESSIONALS

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

| NAME OF CREDITOR | SCHEDULED QUARTERLY PAYMENTS DUE | AMOUNTS PAID DURING QUARTER | TOTAL UNPAID POSTPETITION (2) |
|------------------|----------------------------------|-----------------------------|-------------------------------|
| 1. Leases | \$ 37,007 | 37,422 | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| 6. TOTAL | \$ 37,007 | 37,422 | |

(1) Other than salary, fees and benefit payments made in the ordinary course of business, reimbursements for business expenses and distributions on valid, allowed claims, no payments have been made to insiders during the reporting period.

(2) The post-petition amounts due under rejected store leases are included in claims on the balance sheet.

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST
CASE NUMBER: 08-35653

ACCRUAL BASIS-7

QUARTER: 10/1/2016 - 12/31/2016

QUESTIONNAIRE

| | YES | NO |
|--|-----|----|
| 1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD? | | X |
| 2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT? | X | |
| 3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES? | | X |
| 4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD? | X | |
| 5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY? | | X |
| 6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE? | | X |
| 7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE? | | X |
| 8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE? | X | |
| 9. ARE ANY OTHER POSTPETITION TAXES PAST DUE? | X | |
| 10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT? | X | |
| 11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD? | X | |
| 12. ARE ANY WAGE PAYMENTS PAST DUE? | | X |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

2. As of 11/1/2010, the liquidating plan of the debtors became effective. As such, the bank accounts are no longer DIP accounts.

4. Pursuant to Court orders and settlement agreements, payments have been made on prepetition liabilities during the quarter ended 12/31/16.

8. Certain real estate taxes were passed through to the debtors from the landlords. A portion of these real estate taxes is past due.

9. Certain business license taxes that covered both prepetition and postpetition periods were due on or before 12/31/16 but were not paid.

10. The rent for some store leases owed for the period 11/10/2008 through 11/30/2008 is past due; these payments are being held pursuant to a Court order. In addition, due to the liquidation proceedings, the Trust is currently reconciling amounts due to post-petition creditors, which has slowed creditor payments.

11. Certain property taxes that covered both prepetition and postpetition periods were paid during the quarter ended 12/31/16.

INSURANCE

| | YES | NO |
|--|-----|----|
| 1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT? | X | |
| 2. ARE ALL PREMIUM PAYMENTS PAID CURRENT? | X | |
| 3. PLEASE ITEMIZE POLICIES BELOW. | | |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

| INSTALLMENT PAYMENTS | | | |
|--|---------------------------------------|-------------------|--------------------------------|
| TYPE OF POLICY | CARRIER | PERIOD COVERED | PAYMENT AMOUNT & FREQUENCY |
| Workers' Compensation & Employer's Liability | ACE American Insurance Company | 4/1/16 - 4/1/17 | \$6,104 paid at inception |
| General Liability and Non-owned Auto Liability | First Specialty Insurance Corporation | 4/1/16 - 4/1/17 | \$25,569 paid at inception |
| Excess Liability | RSUI Indemnity Company | 4/1/16 - 4/1/17 | \$31,000 paid at inception |
| Crime/Fidelity | Starr Indemnity and Liability Company | 12/1/16 - 12/1/17 | \$35,000 paid at inception |
| D&O Liability/Errors & Omissions | Westchester Surplus Lines Insurance | 11/1/15-5/1/17 | \$124,298 paid at inception |
| D&O Liability/Errors & Omissions | XL Capital Group | 11/1/15-5/1/17 | \$109,307.43 paid at inception |
| D&O Liability/Errors & Omissions | American International Group | 11/1/15-5/1/17 | \$78,000 paid at inception |
| D&O Liability/Errors & Omissions | Catlin Specialty Insurance Company | 11/1/15-5/1/17 | \$51,138 paid at inception |
| D&O Liability/Errors & Omissions | Lloyd's of London | 11/1/15-5/1/17 | \$37,460 paid at inception |
| D&O Liability/Errors & Omissions | Hiscox Insurance Company Ltd. | 11/1/15-5/1/17 | \$23,448 paid at inception |
| D&O Liability/Errors & Omissions | Westchester Fire Insurance Company | 11/1/15-5/1/17 | \$21,727 paid at inception |
| Property - All Risk | Sentinel Insurance Co., Ltd. | 8/15/16 - 8/15/17 | \$1,240 paid at inception |